

Article - Insurance

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§15–1212.

(a) (1) In this section the following words have the meanings indicated.

(2) “Plan” means, with respect to a product, the pairing of the health benefits under the product with a particular cost-sharing structure, provider network, and service area.

(3) (i) “Product” means a discrete package of health benefits that are offered using a particular product network type within a geographic service area.

(ii) “Product” comprises all plans offered within the product.

(4) “Uniform modification of coverage” means a change to a small employer’s health benefit plan that meets the criteria stated in 45 C.F.R. § 147.106(e).

(b) Changes in benefits made in accordance with federal or State requirements are not subject to the plus or minus 2 percentage points referenced in 45 C.F.R. § 147.106(e)(3)(v).

(c) The combination of all plans offered with a product constitutes the total service area of the product.

(d) (1) With respect to a plan that has been modified at the time of coverage renewal consistent with this section, the plan shall be considered to be the same plan if:

(i) 1. the plan has the same cost-sharing structure as before the modification; or

2. any variation in cost sharing:

A. is solely related to changes in cost or utilization of medical care; or

B. is to maintain the same metal level described in § 1302(d) and (e) of the Affordable Care Act;

(ii) the plan continues to cover a majority of the same service area; and

(iii) the plan continues to cover a majority of the same provider network.

(2) Notwithstanding paragraph (1) of this subsection, the plan shall be considered to be the same plan to the extent that the modifications are:

(i) made uniformly and solely as a result of a federal or State requirement;

(ii) made within a reasonable time period after the imposition or modification of the federal or State requirement; and

(iii) directly related to the imposition or modification of the federal or State requirement.

(e) (1) Except as provided in subsections (f), (g), and (h) of this section, a carrier shall renew a health benefit plan at the option of the small employer.

(2) On renewal, a carrier may not exclude eligible employees or dependents from a health benefit plan.

(3) (i) A carrier shall mail a notice of renewal to the small employer at least 60 days before the expiration of a health benefit plan.

(ii) The notice of renewal shall include the dates of the renewal period, the health benefit plan rates, and the terms of coverage under the health benefit plan.

(4) Policies or certificates for hospital or medical benefits issued through a professional employer organization, coemployer, or other organization under this subtitle may, with the consent of the carrier, have a common renewal date.

(f) A carrier may cancel or refuse to renew a health benefit plan only:

(1) for nonpayment of premiums;

(2) for fraud or intentional misrepresentation of material fact by the small employer;

(3) for noncompliance with a material plan provision relating to employer contributions or group participation rules;

(4) when the carrier elects not to renew:

(i) all of its health benefit plans that are issued to small employers in the State; or

(ii) the particular product for all small employers in the State;
or

(5) in the case of a health maintenance organization, where there is no longer any enrollee who lives, resides, or works in the health maintenance organization's approved service area, provided notice of the termination is provided to each small employer and to each employee covered under the health benefit plan at least 90 calendar days before the date coverage will be terminated.

(g) When a carrier elects not to renew all health benefit plans in the State, the carrier:

(1) shall give notice of its decision to the affected small employers and the insurance regulatory authority of each state in which an eligible employee or dependent resides at least 180 days before the effective date of nonrenewal;

(2) shall give notice to the Commissioner at least 30 working days before giving the notice specified in item (1) of this subsection; and

(3) may not write new business for small employers in the State for a period of 5 years beginning on the date of notice to the Commissioner.

(h) When a carrier elects not to renew a particular product for all small employers in the State, the carrier shall:

(1) provide notice of the nonrenewal at least 90 days before the date of the nonrenewal to:

(i) each affected:

1. small employer; and

2. enrolled employee; and

(ii) the Commissioner;

(2) offer to each affected small employer the option to purchase all other health benefit plans currently offered by the carrier in the small group market; and

(3) act uniformly without regard to the claims experience of any affected small employer, or any health status–related factor of any affected individual.

(i) Within 7 days after cancellation or nonrenewal of a health benefit plan, the carrier shall send to each enrolled employee written notice of its action.

(j) A carrier may make a uniform modification of coverage for a product only at the time of renewal of the health benefit plan.

(k) A carrier will not be considered to have elected not to renew all health benefit plans that are issued to small employers in the State if the carrier complies with 45 C.F.R. § 147.106(d)(3).

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